

# INDUSTRY CIRCULAR

OFFICE OF THE COMMISSIONER OF INTERNAL REVENUE  
ALCOHOL AND TOBACCO TAX DIVISION



WASHINGTON 25, D. C.

Industry Circular No. 59- 31

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## DELIVERIES OF TOBACCO SHIPS' SUPPLIES TO VESSELS ON GREAT LAKES AND ST. LAWRENCE SEAWAY

Manufacturers of tobacco products and cigarette papers and tubes  
and proprietors of export (including sea stores) warehouses:

Purpose. This will advise you of our interpretation of Regulations 76 (26 CFR (1939) Part 141) concerning the shipment or delivery of tobacco products and cigarette papers and tubes for use as ships' supplies on certain vessels operating in foreign trade out of American ports on the Great Lakes or the St. Lawrence Seaway.

Background. Existing regulations prohibit the shipment or delivery of tobacco products and cigarette papers and tubes, without payment of tax, for use as ships' supplies, to vessels on the Great Lakes. The opening of the St. Lawrence Seaway has resulted in conditions concerning the Great Lakes which did not exist at the time Regulations 76 became effective, in that Great Lakes ports are now open to direct commerce with foreign ports world-wide.

Interpretation of Regulations. It is held that vessels in commerce between American ports on the Great Lakes or the St. Lawrence Seaway and foreign ports, other than Canadian ports on the Great Lakes or the St. Lawrence Seaway, are engaged in foreign trade as contemplated by Article 1(a) of Regulations 76. Therefore, effective immediately, tobacco products and cigarette papers and tubes may be shipped or delivered, without payment of tax, for use as ships' supplies on such vessels. However, shipments or deliveries of such articles cannot be made to vessels operating exclusively between American and Canadian ports on the Great Lakes or the St. Lawrence Seaway until the proposed new export regulations in 26 CFR Part 290 are issued.

Inquiries. Inquiries regarding this circular should refer to its number and be addressed to the office of your assistant regional commissioner (alcohol and tobacco tax).

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